

DATED 26 April 2019

Grand Fort Investments Limited

Chim Pui Chung

Law Fei Shing

as Covenantors

in favour of

Tern Properties Company Limited

**DEED
OF
UNDERTAKING**

THIS DEED is dated 26 April, 2019

PARTIES

- (1) **Grand Fort Investments Limited**, a company incorporated in the British Virgin Islands whose registered address is P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands ("**Grand Fort**");
- (2) **Chim Pui Chung** (Hong Kong Identity Card No. A477560(3)) of Room 1705, 17/F, Tower II, Admiralty Centre, 18 Harcourt Road, Hong Kong ("**Mr. Chim**"); and
- (3) **Law Fei Shing** (Hong Kong Identity Card No. C333100(6)) of Room 1321, Leighton Centre, 77 Leighton Road, Causeway Bay, Hong Kong ("**Mr. Law**", together with Grand Fort and Mr. Chim, the "**Covenantors**");

IN FAVOUR OF:

- (4) **Tern Properties Company Limited**, a company incorporated in Hong Kong with limited liability whose registered address is 26th Floor, Tern Centre, Tower I, 237 Queen's Road Central, Hong Kong (the "**Company**").

RECITALS

- (A) Grand Fort is the legal and beneficial owner of 61,051,277 Shares. Grand Fort desires to sell, and the Company desires to buy back from Grand Fort, Buy-back Shares.
- (B) Grand Fort is owned as to 50% by each of Mr. Chim and Mr. Law.

PROVISIONS

1. INTERPRETATION

- 1.1 In this Deed, including the recitals, unless the context requires otherwise, the following words and expressions shall have the following meanings:

| | |
|-----------------------------|--|
| "Business Day" | means a day (excluding Saturdays, Sundays and public holidays and a day on which typhoon signal no. 8 or a black rainstorm warning is hoisted at any time in Hong Kong) on which banks are generally open for business in Hong Kong; |
| "Buy-back Agreement" | means the share purchase agreement to be entered into by the Company, Grand Fort and the Covenantors in relation to the sale and purchase of the Buy-back Shares, substantially in the form set out in the Schedule to this Agreement; |
| "Buy-back Shares" | means 30,525,639 Shares to be acquired by the Company from Grand Fort pursuant to the terms and conditions of the Buy-back Agreement; |
| "Condition(s)" | has the meaning given to them in Clause 2.1; |

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| “Deed” | means this deed of undertaking (as may be amended or varied from time to time); |
| “Executive” | means the Executive Director of the Corporate Finance Division of the Securities and Futures Commission or any of his delegates; |
| “Independent Shareholder(s)” | means shareholder(s) of the Company who are not required to abstain from voting under the Listing Rules and the Share Buy-backs Code; |
| “Listing Rules” | means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; |
| “Share(s)” | means the shares of the Company; |
| “Share Buy-back” | means the proposed share buy-back by the Company of the Buy-back Shares from Grand Fort pursuant to the terms of the Buy-back Agreement; and |
| “Share Buy-backs Code” | means the Hong Kong Code on Share Buy-backs. |

1.2 References in this Deed to:-

- (a) clauses, recitals and schedule are references to clauses and sub-clauses of, and recitals and schedule to, this Deed;
- (b) references to any statute, regulation or other statutory provision are references to such statute, regulation or provision as from time to time amended, modified, consolidated, codified or re-enacted and includes subsidiary legislation made thereunder;
- (c) references to a company include a body corporate (wherever incorporated);
- (d) references to a person include any corporation, unincorporated association, institution or trustee; and
- (e) this Deed (or any specific provision hereof) or any other document shall be construed as references to this Deed, that provision or that other document as amended, varied or modified from time to time.

1.3 Headings in this Deed are for ease of reference only and shall not affect the interpretation or construction of this Deed.

1.4 In this Deed, words denoting the singular include the plural and vice versa, words denoting one gender include all genders.

2. UNDERTAKING

2.1 Each of the Covenantors hereby irrevocably undertakes to the Company that, after (i) the passing of the requisite resolutions by at least three-fourths of the votes cast on a poll by the Independent Shareholders present in person or by proxy at a general

meeting of the Company approving the Buy-back Agreement; and (ii) the Executive having approved the Share Buy-back pursuant to the Share Buy-back Code (and such approval not having been withdrawn or revoked and the condition(s) of such approval (if any) having been satisfied) (the “**Conditions**”), each of the Convenantors shall execute and deliver the Buy-back Agreement to the Company on the later of:

(a) 2 July 2019; and

(b) on the third Business Day after the satisfaction of the Conditions.

3. EFFECTIVE DATE AND DURATION OF THIS DEED

3.1 This Deed shall become effective upon execution by all parties hereto and shall be terminated upon the earlier of (i) 2 July 2019 (or such other date as agreed by the parties in writing); and (ii) by agreement of the parties in writing.

4. NOTICES

4.1 Each notice, demand or other communication given or made under this Deed shall be in writing and delivered or sent by post or airmail or by facsimile transmission to the relevant party at its address or fax number set out below (or such other address or fax number as the addressee has by twenty-one (21) days prior written notice specified to the other parties):-

To Grand Fort:

Address: Room 1321, Leighton Centre, 77 Leighton Road, Causeway Bay, Hong Kong
Fax number: (852) 2535 4230
Attention: The Board of Directors

To Mr. Chim:

Address: Room 1705, 17/F, Tower II Admiralty Centre, 18 Harcourt Road, Hong Kong
Fax number: (852) 2973 0242

To Mr. Law:

Address: Room 1321, Leighton Centre, 77 Leighton Road, Causeway Bay, Hong Kong
Fax number: (852) 2535 4230

To the Company:

Address: 26th Floor, Tern Centre Tower I, 237 Queen’s Road Central, Hong Kong
Fax number: (852) 2543 0321
Attention: The Board of Directors

4.2 Any such notice, demand or other communication so addressed to the relevant party shall be in English and shall be served either by hand, post or facsimile. Any notice shall be deemed to have been served, if served by hand, when delivered; if sent by post, the second business day after it is posted and if sent by facsimile, when

despatched subject to receipt by the sender of confirmation of uninterrupted transmission.

5. GENERAL

- 5.1 Each of the parties hereto hereby represents and warrants to the others that this Deed is a legal, valid and binding agreement on it, enforceable in accordance with its terms, and each party undertakes to the others to do or procure to be done all such things as may be within his/its powers to ensure that all the provisions of this Deed are observed and performed.
- 5.2 In the event of a default by any party in the performance of its obligations under this Deed, the non-defaulting parties (or any of them) shall have the right to specific performance of the defaulting party's obligations. Such remedy shall be in addition to any other remedies provided under this Deed or at law.
- 5.3 The failure of any party hereto at any time to require performance or observance by any other party of any provision of this Deed shall in no way affect the right of such first party to require performance of that provision and any waiver by any party hereto of any breach of any provision of this Deed shall not be construed as a waiver of any continuing or succeeding breach of such provision, a waiver of the provision itself or a waiver of any other right under this Deed.
- 5.4 This Deed cannot be amended or varied save with the prior written agreement of the parties.
- 5.5 This Deed shall be governed by or construed in accordance with the laws of Hong Kong, to the non-exclusive jurisdiction of the courts of which the parties respectively submit in connection with any dispute or proceedings brought in connection with this Deed.
- 5.6 This Deed contains the entire agreement between the parties with respect to the subject matter hereof, supersedes all previous agreements and undertakings, both written and oral, if any, between the parties in respect thereto.
- 5.7 Time shall be of the essence of this Deed but no failure by any party to exercise, and no delay on its part in exercising, any right hereunder will operate as a waiver thereof, nor shall any single or partial exercise of any right under this Deed preclude any other or further exercise of any right or prejudice or affect any right against any person under the same liability whether joint, several or otherwise. The rights and remedies provided in this Deed are cumulative and not exclusive of any rights or remedies provided by law.
- 5.8 If at any time any provision of this Deed is or becomes illegal, void or unenforceable in any respect, the remaining provisions hereof shall in no way be affected or impaired thereby.
- 5.9 This Deed may be entered into in any number of counterparts, all of which taken together shall constitute one and the same instrument. Either party may enter into this Deed by executing any such counterpart.

**Schedule
Form of the Buy-back Agreement**

DATED [date] 2019

Tern Properties Company Limited
as Purchaser

Grand Fort Investments Limited
as Seller

Chim Pui Chung
and

Law Fei Shing
as Guarantors

SHARE PURCHASE AGREEMENT

relating to

the sale and purchase of 30,525,639 shares in
Tern Properties Company Limited

CONTENTS

| <u>CLAUSE</u> | <u>Page</u> |
|---|-------------|
| <u>1. INTERPRETATION</u> | 7 |
| <u>2. SALE AND PURCHASE OF BUY-BACK SHARES</u> | 10 |
| <u>3. CONDITIONS</u> | 10 |
| <u>4. COMPLETION</u> | 10 |
| <u>5. TERMINATION</u> | 11 |
| <u>6. STAMP DUTY, TAXES AND FEES</u> | 11 |
| <u>7. WARRANTIES AND UNDERTAKINGS</u> | 11 |
| <u>8. FURTHER ASSURANCE</u> | 13 |
| <u>9. AMENDMENT AND WAIVER</u> | 13 |
| <u>10. ASSIGNMENT</u> | 14 |
| <u>11. ENTIRE AGREEMENT</u> | 14 |
| <u>12. NOTICES</u> | 14 |
| <u>13. COUNTERPARTS</u> | 15 |
| <u>14. GOVERNING LAW AND DISPUTE RESOLUTION</u> | 15 |
| <u>15. CONFIDENTIALITY</u> | 15 |
| <u>16. SEVERABILITY</u> | 16 |
| <u>17. THIRD PARTY RIGHTS</u> | 16 |
| <u>SCHEDULE COMPLETION PROCEDURE</u> | 18 |

THIS SHARE PURCHASE AGREEMENT, dated as of [date] 2019, is entered into by and **BETWEEN:**

- (1) **Tern Properties Company Limited**, a company incorporated in Hong Kong with limited liability whose registered address is 26th Floor, Tern Centre, Tower I, 237 Queen's Road Central, Hong Kong (the "**Company**");
- (2) **Grand Fort Investments Limited**, a company incorporated in the British Virgin Islands whose registered address is P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands ("**Grand Fort**");
- (3) **Chim Pui Chung** (Hong Kong Identity Card No. A477560(3)) of Room 1705, 17/F, Tower II, Admiralty Centre, 18 Harcourt Road, Hong Kong ("**Mr. Chim**"); and
- (4) **Law Fei Shing** (Hong Kong Identity Card No. C333100(6)) of Room 1321, Leighton Centre, 77 Leighton Road, Causeway Bay, Hong Kong ("**Mr. Law**", together with Mr. Chim, the "**Guarantor(s)**").

WHEREAS:

- (A) Grand Fort is the legal and beneficial owner of 61,051,277 Shares and Grand Fort now desires to sell, and the Company desires to buy back from Grand Fort the Buy-back Shares.
- (B) Grand Fort is owned as to 50% by each of Mr. Law and Mr. Chim.
- (C) The Share Buy-back (defined below) is a connected party transaction and an off-market purchase by the Company of its own shares and therefore requires the Company's members' approval pursuant to the Listing Rules, the Companies Ordinance and the Share Buy-backs Code.
- (D) The Independent Shareholders have on [date] 2019 approved this Agreement and the transactions contemplated hereunder in accordance with the relevant requirements under the Companies Ordinance, the Listing Rules and the Share Buy-backs Code.

NOW, THEREFORE, the parties agree as follows:

1. INTERPRETATION

1.1 Definitions

Unless the terms or context of this Agreement otherwise provide, the following terms shall have the meanings set out below:

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| "Agreement" | means this share purchase agreement (as may be amended or varied from time to time); |
| "Business Day" | means a day (excluding Saturdays, Sundays and public holidays and a day on which typhoon signal no. 8 or a black rainstorm warning is hoisted at any time in Hong Kong) on which banks are generally open for business in Hong Kong; |

| | |
|-------------------------------------|---|
| “Buy-back Shares” | means 30,525,639 Shares to be acquired by the Company from Grand Fort pursuant to the terms and conditions of this Agreement; |
| “Companies Ordinance” | means the Companies Ordinance (Cap 622 of the Laws of Hong Kong); |
| “Completion” | means completion of the transfer of the Buy-back Shares in accordance with this Agreement; |
| “Completion Date” | means the 5 th Business Day after the Conditions having been fulfilled or waived or such other date as the parties may agree in writing; |
| “Condition(s)” | have the meaning given to them in Clause 3.1; |
| “Encumbrance” | means a mortgage, pledge, lien, option, restriction, right of pre-emption, third party right or interest, other encumbrance or security interest of any kind, or another type of preferential arrangement (including, without limitation, a title transfer or retention arrangement) having similar effect; |
| “Grand Fort Warranties” | means the warranties, representations and undertakings given by Grand Fort in Clause 7.2; |
| “Guarantee” | has the meaning ascribed to it in Clause 7.4; |
| “Hong Kong” | means Hong Kong Special Administrative Region of the People’s Republic of China; |
| “HK\$” | means Hong Kong dollars, the lawful currency of Hong Kong; |
| “Hong Kong Stock Exchange” | means the Stock Exchange of Hong Kong Limited; |
| “Independent Shareholder(s)” | means shareholder(s) of the Company who are not required to abstain from voting under the Listing Rules and the Share Buy-backs Code; |
| “Listing Rules” | means the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange; |
| “Long Stop Date” | means expiry of two months from the date of this Agreement or such later date as agreed by the parties in writing; |
| “Person” | means any natural or legal person, including without limitation any individual, limited liability company, corporation, partnership, association, joint-stock company, trust, unincorporated organization, governmental entity or other entity of a similar nature; |

| | |
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| “Purchase Price” | has the meaning given in Clause 2.2; |
| “Representatives” | means, as to any Person, its affiliates and its and its affiliates’ directors, officers, employees, agents and advisors (including without limitation, financial advisors, attorneys, accountants and their respective Representatives); |
| “Sale Shares” | means 30,525,638 Shares to be acquired by Smartprint Development Limited from Grand Fort pursuant to the terms and conditions of the SPA; |
| “Shares” | means the shares of the Company; |
| “Share Buy-back” | means the proposed share buy-back by the Company of the Buy-back Shares from Grand Fort pursuant to the terms of this Agreement; |
| “Share Buy-backs Code” | means the Hong Kong Code on Share Buy-backs; |
| “SFC” | means the Hong Kong Securities and Futures Commission; |
| “SPA” | means the share purchase agreement dated 26 April 2019 entered into between Grand Fort and Smartprint Development Limited in relation to the sale and purchase of the Sale Shares; and |
| “Tax” | means any form of taxation, levy, duty, charge, contribution, or withholding of whatever nature (including any related fine, penalty, surcharge or interest) imposed, collected or assessed by, or payable to, any national, provincial, municipal or local government or other authority, body or official anywhere in the world exercising a fiscal, revenue, customs or excise function. |

1.2 Words and phrases defined in the Companies Ordinance shall have the same meanings in this Agreement unless they are otherwise defined in this Agreement or unless the context or subject matter otherwise requires.

1.3 In this Agreement (which shall include its Schedules):

- (a) the masculine gender shall include the feminine and neuter and the singular number shall include the plural and vice versa;
- (b) the headings are inserted for convenience only and shall not affect the construction of this Agreement;
- (c) any reference to clauses and schedule is a reference to the clauses and schedule to, this Agreement;

- (d) any reference to a law means that law (and any subsidiary provisions) as from time to time in force; and
- (e) a reference to a date or time is a reference to that date or time in Hong Kong, unless the context otherwise requires.

2. SALE AND PURCHASE OF BUY-BACK SHARES

- 2.1 Upon the terms and subject to the conditions of this Agreement, Grand Fort as the legal and beneficial owner of the Buy-back Shares agrees to sell, and the Company agrees to buy, the Buy-back Shares and each right attaching to the Buy-back Shares, free of any Encumbrance. The Company shall not be obliged to complete the purchase of any of the Buy-back unless the sale and purchase of all of the Buy-back and the sale and purchase of all of the Sales Shares contemplated under the SPA are completed simultaneously.
- 2.2 Grand Fort shall sell and the Company shall buy the Buy-back Shares at a price of HK\$5.1 per Buy-back Share, representing a total consideration for the Buy-back Shares of HK\$155,680,758.9, which shall be paid to Grand Fort at Completion in accordance with the provisions of the Schedule (the "**Purchase Price**").

3. CONDITIONS

- 3.1 Completion shall be conditional upon the following conditions (the "**Condition(s)**") having been satisfied or waived on or before 5:00 p.m. on the Long Stop Date (except for (c) which shall be satisfied upon Completion):
 - (a) the Company having sufficient reserves to effect the Share Buy-back in compliance with the relevant law and regulations;
 - (b) the Grand Fort Warranties remaining true, accurate and not misleading in all respects; and
 - (c) the conditions precedent under the SPA having been fulfilled or waived (as the case may be) (save for the condition requiring this Agreement to become unconditional).
- 3.2 The Company may, at its absolute discretion, waive Conditions 3.1(b) and (c).
- 3.3 Grand Fort and the Guarantors undertake to provide to the Company all such information and documents as may be required by the Company to comply with the requirements under the Listing Rules, the Companies Ordinance and the Share Buy-backs Code and such other requirements or enquiries by the Hong Kong Stock Exchange, the SFC or any other regulatory authority.

4. COMPLETION

- 4.1 Subject to the satisfaction or, where applicable, waiver of the Conditions, Completion shall take place simultaneously with completion of the SPA on the Completion Date or at such other time as may be agreed between the parties.
- 4.2 At Completion, Grand Fort and the Company shall deliver and/or perform (or procure the delivery and/or performance) of all those documents, items and actions respectively listed in relation to that party in the Schedule.

- 4.3 Completion shall only occur if all documents, items and actions listed in the Schedule have been delivered or performed as required by the Schedule by each such party.
- 4.4 If Completion does not take place on the Completion Date because a party fails to comply with any of its obligations under this Clause 4 and the Schedule (whether such failure amounts to a repudiatory breach or not), without prejudice to any rights they may have, the non-defaulting parties may by notice to the defaulting party:
- 4.4.1 proceed to Completion to the extent reasonably practicable;
 - 4.4.2 postpone Completion to a date not more than 5 Business Days after the original Completion Date (provided that such date is no later than the Long Stop Date); or
 - 4.4.3 terminate this Agreement.
- 4.5 If Completion is postponed to another date in accordance with Clause 4.4.2, the provisions of this Agreement apply as if that other date is the Completion Date.

5. TERMINATION

- 5.1 If any of the Conditions is not satisfied (or, where applicable, be waived) on or before 5:00 p.m. on the Long Stop Date, this Agreement shall cease and determine.
- 5.2 If a party commits any material breach of this Agreement, this Agreement may be terminated by the other party by giving written notice to the first-mentioned party.
- 5.3 Each party's rights and obligations shall cease immediately on termination, but termination does not affect a party's accrued rights and obligations at the date of termination or any liability arising before or in relation to such termination. Notwithstanding the foregoing, the provisions of Clauses 8 through 17 of this Agreement shall survive termination of this Agreement for any reason.

6. STAMP DUTY, TAXES AND FEES

- 6.1 Except as set out in Clause 6.2, each party shall be responsible for its own costs, expenses and Tax liabilities arising from the transfer of the Buy-back Shares under this Agreement, including but not limited to, the negotiation, preparation, execution and carrying into effect of this Agreement.
- 6.2 Any stamp duty payable on the transfer of the Buy-back Shares shall be borne by Grand Fort and the Company in equal shares.

7. WARRANTIES AND UNDERTAKINGS

- 7.1 The Company warrants to Grand Fort that as at the date of this Agreement and as at the Completion Date:
- 7.1.1 it is duly organised and has the right, power and authority, and has taken all action necessary, to execute, deliver and exercise its rights, and perform its obligations, under this Agreement and each document to be executed by the parties at or before Completion;

- 7.1.2 its obligations under this Agreement and each document to be executed by the parties at or before Completion are, or when the relevant document is executed will be, enforceable in accordance with their respective terms; and
 - 7.1.3 it is not in receivership or liquidation and it has not taken steps to enter into liquidation; no petition has been presented for its winding up and there are no grounds on which a petition or application could be based for the appointment of a receiver for its or its winding up of.
- 7.2 Each of Grand Fort and the Guarantors hereby warrants to the Company that as at the date of this Agreement and as at the Completion Date:
- 7.2.1 Grand Fort is duly organised and has the right, power and authority, and has taken all action necessary, to execute, deliver and exercise its rights, and perform its obligations, under this Agreement and each document to be executed by the parties at or before Completion;
 - 7.2.2 each of the Guarantors have the right, power and authority, and has taken all actions necessary, to execute, deliver and exercise his rights, and perform his obligations, under this Agreement and each document to be executed by the parties at or before Completion;
 - 7.2.3 its or his obligations under this Agreement and each document to be executed by the parties at or before Completion are, or when the relevant document is executed will be, enforceable in accordance with their respective terms;
 - 7.2.4 each of Grand Fort and the Guarantors is not bankrupt, in receivership or liquidation and has not taken steps to enter into liquidation; no petition has been presented for Grand Fort's winding up and there are no grounds on which a petition or application could be based for the appointment of a receiver for its or its winding up of;
 - 7.2.5 Grand Fort is the legal and beneficial owner of the Buy-back Shares and has all rights, title and interest therein, which Buy-back Shares shall be sold to the Company with all rights attached thereto, and free and clear of all Encumbrances;
 - 7.2.6 the Buy-back Shares are fully paid and there is no outstanding call on any of the Buy-back Shares;
 - 7.2.7 none of Grand Fort or the Guarantors have any interest in any Shares or convertible securities other than the Buy-back Shares and the Sale Shares; and
 - 7.2.8 other than pursuant to this Agreement and the SPA, no person has any agreement or option, or right or privilege (whether pre-emptive or contractual, actual or contingent) capable of becoming an agreement or option, for the purchase from Grand Fort of any Buy-back Shares or any Sale Shares or to require the transfer, redemption or buy-back of any Buy-back Shares or any Sale Shares.
- 7.3 Other than for the purpose of the Share Buy-back and transfer of Sale Shares under the SPA, Grand Fort shall not and the Guarantors shall procure Grand Fort shall not, sell, transfer, charge, encumber, create or grant any option or lien over or otherwise

dispose of or deal in or create any Encumbrance over any interest in the Buy-back Shares.

- 7.4 In consideration of the Company entering into this Agreement with Grand Fort, the Guarantors hereby irrevocably and unconditionally, as primary obligors, undertake and guarantee (collectively the "**Guarantee**") the full, prompt, complete and due performance by Grand Fort of all and any of its obligations under this Agreement (for the purposes of this Clause 7.4, including (a) all such further documents to be executed by Grand Fort that are necessary, appropriate, desirable or expedient to give effect to or in connection with this Agreement; and (b) all documents and transactions contemplated under this Agreement and such further documents mentioned in the preceding paragraph (a)) and the due and punctual payment of all sums now or subsequently payable by Grand Fort to the Company under this Agreement when the same shall become due; and undertakes to the Company that if Grand Fort defaults in the payment of any sum under this Agreement, then any of the Guarantors will forthwith on demand by the Company pay such sum to the Company.
- 7.5 Without prejudice to the Guarantee, as between the Guarantors and the Company but without affecting Grand Fort's obligations hereunder or otherwise, the Guarantors shall be liable under Clauses 7.4, 7.5, 7.6 and 7.7 as if they were the sole principal debtors and not merely as surety. Accordingly, the obligations of the Guarantors shall not be affected by any act, omission, neglect, default, event, matter or thing whether or not known to the Guarantors, which, but for this provision, might operate to release or otherwise exonerate the Guarantors from their obligations or affect such obligations.
- 7.6 The Guarantee is a continuing guarantee and shall remain in full force and effect unless and until:
- (a) all the obligations of Grand Fort under this Agreement have been fully, promptly and completely performed and all sums now or subsequently payable by Grand Fort to the Company have been fully and punctually paid; and
 - (b) no further obligations of Grand Fort may arise under this Agreement and no further liabilities (whether known, actual or contingent) of Grand Fort may arise under this Agreement.
- 7.8 All payments under the Guarantee shall be made free and clear of any restrictions, counterclaims, set-off, deductions or withholdings (except to the extent required by law) on account of any tax or expenses charged, imposed, levied, collected, withheld or assessed by any person.

8. FURTHER ASSURANCE

Each party shall, from Completion, co-operate with the other and execute and deliver to the other such other instruments and documents and take such other actions as may reasonably be requested from time to time in order to carry out, evidence and confirm their rights and the intended purpose of this Agreement.

9. AMENDMENT AND WAIVER

- 9.1 An amendment of this Agreement is valid only if it is in writing and signed by or on behalf of each party.
- 9.2 The failure to exercise or delay in exercising a right or remedy provided by this Agreement or by law does not impair or constitute a waiver of the right or remedy or

an impairment of or a waiver of other rights or remedies. No single or partial exercise of a right or remedy provided by this Agreement or by law prevents further exercise of the right or remedy or the exercise of another right or remedy.

10. ASSIGNMENT

Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by either of the parties hereto without the prior written consent of the other party.

11. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement, and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof.

12. NOTICES

Notice, claim or demand in connection with this Agreement shall be in writing in English and shall be sufficiently given or served if delivered or sent:

12.1 in the case of Grand Fort to:

Address : Room 1321, Leighton Centre, 77 Leighton Road, Causeway Bay, Hong Kong
Facsimile : 2535 8887
Email address : fslaw@fslaw.com.hk
Attention : The board of directors

12.2 in the case of the Company to:

Address : 26th Floor, Tern Centre, Tower I, 237 Queen's Road Central, Hong Kong
Facsimile : 2543 0321
Email address : thomas@tern.hk
Attention : The board of directors

12.3 in the case of Mr. Chim to:

Address : Room 1705, 17/F, Tower II, Admiralty Centre, 18 Harcourt Road, Hong Kong
Facsimile : 2973 0242
Email address : puichim@netvigator.com
Attention : Mr. Chim

12.4 in the case of Mr. Law to:

Address : Room 1321, Leighton Centre, 77 Leighton Road, Causeway Bay, Hong Kong
Facsimile : 2535 8887
Email address : fslaw@fslaw.com.hk
Attention : Mr. Law

or in any case to such other address or fax number as a party may have notified the other party in accordance with this Clause 12. Any notice may be delivered by hand or sent by fax with confirmation receipt or by electronic mail with delivery receipt followed by registered mail posted within twenty-four (24) hours, or by overnight courier. Without prejudice to the foregoing, any notice shall be deemed to have been received (a) on the next Business Day in the place to which it is sent, if sent by fax or electronic mail, or (b) two (2) Business Days from the time of posting, if sent by overnight courier, or (c) at the time of delivery, if delivered by hand.

13. COUNTERPARTS

This Agreement may be entered into in any number of counterparts, all of which taken together shall constitute one and the same instrument. Either party may enter into this Agreement by executing any such counterpart.

14. GOVERNING LAW AND DISPUTE RESOLUTION

14.1 This Agreement and any dispute arising out of, relating to or in connection with this Agreement shall be governed by and construed in accordance with the laws of Hong Kong.

14.2 Each of the parties hereto submits to the exclusive jurisdiction of the courts of Hong Kong in any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of, or in connection with, this Agreement or the transactions contemplated hereby. Each party hereto waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

14.3 Grand Fort hereby irrevocably appoints Mr. Law of Room 1321, Leighton Centre, 77 Leighton Road, Causeway Bay, Hong Kong to receive, for it and on its behalf, service of process in any proceedings. Grand Fort agrees that any such legal process shall be sufficiently served on it if delivered to Mr. Law at his address specified in this Clause or at its registered office for the time being in Hong Kong. If for any reason any party's process agent is unable to act as such, such party shall promptly notify the other party or parties and forthwith appoint a substitute process agent acceptable to the other party or parties. Without affecting the right of any party to serve process in any other way permitted by law, the parties irrevocably consent to service of process given in the manner provided for notices in Clause 14.

15. CONFIDENTIALITY

Without the prior written consent of the other party, Grand Fort, the Guarantors and the Company shall not, and shall cause their respective Representatives not to, disclose this Agreement and its terms to any Person, other than to its Representatives who are actively and directly participating in its evaluation of the transaction contemplated hereby and are bound by obligations of confidentiality. Notwithstanding the foregoing, any party shall be permitted to furnish copies of this Agreement and to discuss the subject matter of this Agreement to or with any governmental entity as such party may deem appropriate, and to make such disclosures as such party determines in good faith are required under applicable law or regulation or rules of a relevant stock exchange.

16. SEVERABILITY

In the event that any of the provisions of this Agreement shall be held to be invalid, void or unenforceable, the remaining portions hereof shall remain in full force and effect and such provision shall be enforced to the maximum extent possible as so to effect the intent of the parties, and shall in no way be affected, impaired or invalidated.

17. THIRD PARTY RIGHTS

A Person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Ordinance (Cap 623 of the Laws of Hong Kong) to enforce any term of this Agreement but this does not affect any right or remedy of a third party which exists or is available apart from that Ordinance.

IN WITNESS HEREOF, the parties have duly executed this Agreement as of the date first written above.

SIGNED by CHAN HOI SOW)
for and on behalf of)
TERN PROPERTIES COMPANY LIMITED)

SIGNED by LAW FEI SHING)
for and on behalf of)
GRAND FORT INVESTMENTS LIMITED)

SIGNED, SEALED AND DELIVERED by)
CHIM PUI CHUNG)

SIGNED, SEALED AND DELIVERED by)
LAW FEI SHING)

**SCHEDULE
COMPLETION PROCEDURE**

On the Completion Date:

1. Grand Fort shall deliver to the Company:
 - a) certified copy of the board of directors of Grand Fort authorising the execution and completion of this Agreement and the transactions contemplated under this Agreement;
 - b) duly executed instrument of transfer and sold notes (as the transferor and the registered holder of the Buy-back Shares) in respect of the Buy-back Shares;
 - c) the share certificate(s) relating to the Buy-back Shares in the name of Grand Fort;
 - d) a cheque for the amount of Grand Fort's share of the stamp duty in favour of the Government of Hong Kong;

2. Subject to Grand Fort satisfying its obligations under paragraph 1 above, the Company shall pay or procure the payment of, the Purchase Price by cashier's order or in such other manner as Grand Fort and the Company may agree in writing.

